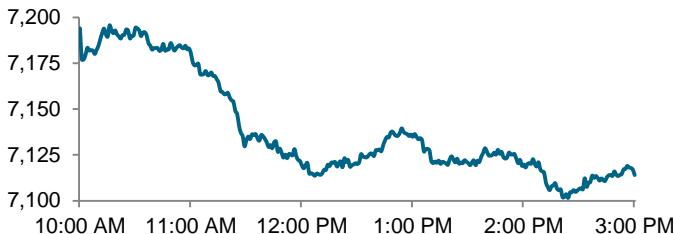


DAILY MARKETS OVERVIEW

OCTOBER 10, 2017

TASI Intraday



Source: Reuters

Saudi Market Update

- The TASI declined 1.1% to close at 7,114 on Monday. The NOMU closed 0.3% lower at 3,177. TASI traded value totaled SAR 2.9bn and averaged SAR 3.2bn over the last 30 days. The five most active stocks (by value) in TASI accounted for 53.8% of the daily traded value.
- Banks and Materials ended 1.1% and 0.7% lower respectively. Telecom closed 3.2% lower. REITs (up 1.8%) was the best performer. Among stocks, Middle East Paper Co. (1202/MEPC AB), AlJazira Mawten REIT Fund (4331/ALJAZIRA AB), and Jazan Development Co. (6090/GIZACO AB) led gainers.
- The International Monetary Fund expects the country to generate gross fiscal savings worth around SAR 254bn (USD 67.7bn) by 2020 due to recent economic reforms. (Source: *Mubasher*)
- According to data issued by Yamama Cement Co. (3020/YACCO AB), the total sales of 17 cement companies fell 7% Y/Y to 3.1mn tons in September from 3.4mn tons. Also, clinker production dropped 4% Y/Y to 4.4mn tons in September from 4.5mn tons. (Source: *Argaam*)
- Citing the head of the National Committee of Cement Producers, Arabic daily *Al-Eqtisadiyah* reported the country currently requires only four big cement companies to meet demand requirements. He added the presence of 17 cement companies supports the idea of mergers. (Source: *Argaam*)
- City Cement Co.'s (3003/CITYC AB) board decided to temporarily halt one of the clinker production lines in the factory due to the high clinker inventory and weak demand due to the current market conditions. (Source: *Tadawul*)
- National Agriculture Development Co. (6010/NADEC AB) plans to commence merger talks with Al Safi Danone, a joint venture between Al Safi Group of Companies and Danone (BN FP), which would be executed through a share swap deal. (Source: *Trade Arabia*)
- The Chairman of Arabian Agricultural Services Co. told *Argaam* the company would bid for Saudi Grains Organization's milling operations, after signing a memorandum of understanding with Bunge (BG US). The bidding process would begin by 2018. (Source: *Argaam*)

Saudi Stock Indices

Index	Last Close	1 Day %	WTD %	YTD %	PE (TTM)
Saudi (TASI)	7,114	-1.1	-2.0	-1.3	17.3
Saudi (NOMU)	3,177	-0.3	-0.7	NA	NA
Energy	4,049	-0.6	-1.8	-18.6	15.7
Materials	4,784	-0.7	-1.7	-4.0	20.3
Capital Goods	4,269	-1.1	-1.9	-14.4	14.0
Com. & Prof. Svc	4,499	-0.6	-1.1	-10.8	20.0
Transportation	3,899	-1.1	-2.1	-23.5	14.1
Cons. Durables & Apparel	4,344	-0.8	-1.5	-6.5	NA
Consumer Services	4,302	-1.9	-3.0	-11.0	12.4
Media	8,647	-2.6	-3.4	68.9	NA
Retailing	6,034	-0.8	-1.5	22.9	19.1
Food & Staples Retailing	5,627	-0.1	-0.6	11.4	24.3
Food & Beverages	5,168	-1.3	-1.6	5.4	NA
Health Care Equipment	4,587	-0.6	-1.4	-8.6	25.4
Pharma, Biotech & Life Science	4,235	-0.6	-0.3	-21.3	10.6
Banks	5,333	-1.1	-2.4	4.9	11.3
Diversified Financials	4,542	0.4	-0.2	-8.9	NA
Insurance	5,129	-1.8	-2.0	4.4	15.8
Telecommunication	4,316	-3.2	-3.9	-13.7	14.8
Utilities	5,098	-1.7	-3.4	4.9	10.9
REITs	5,181	1.8	-0.1	3.6	NA
Real Estate	4,505	-0.9	-0.9	-10.2	NA

Sources: Bloomberg, Reuters

Top 5 Gainers

Company	Last Close	% Change	Value (SAR mn)
Middle East Paper Co.	19.32	6.3%	55.6
AlJazira Mawten REIT Fund	20.90	4.3%	35.5
Jazan Development Co.	19.25	2.5%	12.0
Al-Rajhi Co. for Cooperative Insurance	62.03	2.4%	17.3
AL Maather REIT Fund	10.30	1.8%	13.7

Source: *Tadawul*

Upcoming General Assembly Meetings

Company	Proposed Date
Saudi Fisheries Co.	18-Oct-17
CHUBB Arabia Cooperative Insurance Co.	19-Oct-17
Saudi Advanced Industries Co.	23-Oct-17
AXA Cooperative Insurance Co.	24-Oct-17
Savola Group	2-Nov-17
Yanbu National Petrochemical Co.	9-Nov-17

Source: *Tadawul*

NOTES: (1) Prices as of last trade. Updated as of October 10, 2017

(2) WTD: Week to Date and YTD: Year to Date

Top 5 Losers

Company	Last Close	% Change	Value (SAR mn)
Malath Cooperative Insurance and Reinsurance Co.	14.97	-7.3%	28.3
Etihad Etisalat Co.	15.68	-4.2%	36.4
Amana Cooperative Insurance Co.	26.72	-3.8%	17.9
Southern Province Cement Co.	45.22	-3.8%	2.4
Trade Union Cooperative Insurance Co.	21.58	-3.8%	9.0

Most Active Stocks by Value (SAR mn)

Company	Last Close	% Change	Value (SAR mn)
Alinma Bank	17.68	0.3%	520.0
Al Rajhi Bank	64.77	-0.7%	467.8
Saudi Basic Industries Corp.	100.69	-0.1%	454.3
Dar Alarkan Real Estate Development Co.	6.53	-1.2%	60.2
Middle East Paper Co.	19.32	6.3%	55.6

Source: *Tadawul*

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DAILY MARKETS OVERVIEW

OCTOBER 10, 2017

GCC Stock Indices

Index	Last Close	1 Day %	WTD %	YTD %	PE (TTM)
Dubai (DFM)	3,611	0.0	0.5	2.3	NA
Abu Dhabi (ADX)	4,451	0.5	0.8	-2.1	16.4
Kuwait (KSE)	6,649	-0.2	-0.2	15.7	17.9
Qatar (QE)	8,213	0.9	1.0	-21.3	13.4
Oman (MSM)	5,167	0.0	-0.9	-10.7	12.0
Bahrain (BSE)	1,273	-0.5	-0.1	4.3	7.5
DJMENA Index	522	-0.4	-0.4	0.5	NA

Source: Bloomberg, Reuters

Global Stock Indices

Index	Last Close	1 Day %	WTD %	YTD %	PE (TTM)
US (S&P 500)	2,545	-0.2	-0.2	13.7	21.6
US (NASDAQ 100)	6,580	-0.2	-0.2	22.2	24.4
UK (FTSE 100)	7,508	-0.2	-0.2	5.1	25.1
Germany (DAX)	12,976	0.2	0.2	13.3	18.1
France (CAC 40)	5,366	0.1	0.1	10.4	18.6
Russia (MICEX)	2,096	0.1	0.1	-5.0	7.4
Japan (Nikkei)	20,691	0.3	1.6	8.1	19.0
Hong Kong (HSI)	28,327	-0.5	-0.5	28.8	14.1
South Korea (KOSPI)	2,394	0.9	0.2	18.2	11.7
China (SHCOMP)	3,374	0.8	0.8	8.7	17.6
India (NIFTY)	9,989	0.1	0.1	22.0	23.3
Brazil (IBOV)	75,727	-0.4	-0.4	25.7	23.6
Turkey (BIST 100)	1,01,298	-2.7	-2.7	29.6	9.9
Egypt (EGX30)	13,969	-0.2	0.6	13.2	10.1
MSCI Emerging Markets	1,100	-0.2	-0.2	27.6	16.1
MSCI World	2,013	0.0	0.0	15.0	21.1

Source: Bloomberg, Reuters

Commodities Prices

Index	Last Close	1 Day %	WTD %	YTD %	1 Year %
Brent Crude (\$/bbl)	55.8	0.3	0.3	-1.8	5.0
Natural Gas (\$/mmbtu)	2.8	-1.0	-1.0	-21.4	-13.5
Gold (\$/oz)	1,284	0.6	0.6	11.4	1.9
Silver (\$/oz)	17.0	0.9	0.9	6.6	-3.8
Platinum (\$/oz)	917	0.1	0.1	1.5	-5.0
Copper (\$/t)	6,615	0.0	0.0	19.8	37.0
Zinc (\$/t)	3,301	0.1	0.1	29.1	42.7
Lead (\$/mt)	2,515	-1.0	-1.0	26.7	20.0
Wheat (\$/bu)	436	-1.7	-1.7	-6.2	-9.7
Corn (\$/bu)	350	-0.1	-0.1	-8.0	-8.7
Sugar (\$/lb)	14.0	0.1	0.1	-24.7	-32.4

Source: Bloomberg

Interest Rate Watch (3M Interbank Offer Rate, %)

Country	Last Close	1 Day Change	YTD Change	Spread*
US	1.35	0.00	0.35	0.00
Saudi Arabia	1.79	0.00	-0.24	0.44
UAE	1.57	0.00	0.09	0.21
Kuwait	1.75	0.00	0.31	0.40
Qatar	2.45	0.00	0.67	1.10
Bahrain	2.40	0.00	0.30	1.05

Source: Reuters

NOTES: (1) Prices updated as of October 10, 2017 (2) WTD: Week to Date; YTD: Year to Date; NA: Not Applicable

GCC & Global Markets Update

- US markets ended in red on Monday. The S&P 500 and NASDAQ both declined by 0.2%. Dow Jones Industrial ended 0.1% lower. In Europe, the UK closed 0.2% lower while Germany and France ended 0.2% and 0.1% higher respectively.
- Asian markets are trading in green, except for China, on Tuesday. China is down by 0.3% while Japan is up by 0.4%. South Korea and Hong Kong are trading 1.8% and 0.1% higher respectively. India is up by 0.3% in morning trade.
- GCC markets ended mixed on Monday. Dubai closed flat while Abu Dhabi closed 0.5% higher. Kuwait ended 0.2% lower while Qatar ended 0.9% higher. Oman closed flat while Bahrain declined by 0.5%.
- The outlook for the UAE's banking sector is maintained at "stable" by Moody's Investors Service in expectation of better economic growth in 2018. The agency estimates the loan performance to soften after slow economic growth in 2017, increasing problem loans to 5.5–6% of the gross loans by 2018 compared with 5.3% in June. (Source: Arabian Business)
- According to the President and CEO of Dubai Chamber of Commerce and Industry, Dubai's non-oil trade with Colombia stood at USD 138mn (AED 507mn) in 2016, up 200% from that in 2012. News agency WAM reported there is potential to boost Colombian exports of cocoa, fruits, flowers, and coffee to Dubai. (Source: Gulf Base)
- According to a study by First Abu Dhabi Bank (FAB UH), the UAE's banking system led the banking sector in the Gulf in terms of assets in 1H17. The value of total assets with 48 banks operating in the UAE stood at USD 723bn (AED 2.7tn) in 2016. (Source: Gulf Base)
- Bahrain's Works, Municipalities Affairs and Urban Planning Ministry would invite tenders for USD 1bn (BHD 377mn) King Abdullah Medical City by the end of this year. The work would begin in July 2018 and would last for 18 months. (Source: Gulf Base)
- According to data from the International Air Transport Association (IATA), the Middle East accounted for 5% share in the global aviation market in 2016, flying 206mn passengers (up 9.1% Y/Y). The data also indicated the Emirates was the third biggest cargo carrier in the world, with 2.5mn freight tons lifted in 2016. (Source: Arabian Business)
- The Abu Dhabi National Oil Company signed a trilateral agreement with Japan Oil, Gas and Metals National Company and Japanese Ministry of Economy, and Trade and Industry (METI) to establish a framework for cooperation on strategic business development, upstream technical cooperation, and training and development programs for company employees. (Source: Mubasher)
- Oman Telecommunications Co. (OTEL OM) would acquire Kuwait-based Al Khair's 12% stake in Mobile Telecommunications Co (ZAIN KK), after signing a non-binding letter of intent with Al Khair. (Source: Argaam)

Coming Up

- US jobless claims for the week ended October 7 (prior: 260K) will be announced on October 12. (Source: Econoday)
- US EIA Petroleum status report on weekly change in crude oil inventories for the week ended October 6 (prior: -6.0mn barrels) will be announced on October 12. (Source: Econoday)
- Change in US CPI for the month of September 2017 (prior: 0.4% M/M, 1.9% Y/Y; consensus: 0.6% M/M, 2.3% Y/Y) will be announced on October 13. (Source: Econoday)

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